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August 31, 2006

Via Hand Delivery

The Honorable Sue L. Robinson
J. Caleb Boggs Federal Building
844 N. King Street, Room 6124
Lockbox 31
Wilmington, DE 19801

**Re: Lancaster Composite v. Hardcore Composite and Scott Hemphill
Civil Action No. 04-1414 (SLR)**

Dear Judge Robinson:

I am counsel to Lancaster Composite, Inc., Plaintiff in the above-captioned patent infringement action.

Following a day-long mediation session yesterday with Judge Thyng, the parties believe they have reached an agreement to resolve all issues in this case. The parties are in the process of drafting a definitive settlement agreement and related papers, and the parties expect to have a stipulation to you by Friday, September 8, 2006.

The parties recently filed motions for summary judgment and, under the Court's Local Rules, responses are due next week. Given that the parties have reached an agreement in principle, both parties are requesting they be excused from filing responses to the pending motions. We will advise the Court immediately if any problems are encountered in preparing the final settlement documents.

Thank you for your attention to this matter. If you have any questions, the parties will make themselves available at your convenience.

Sincerely yours,

A handwritten signature in cursive script that reads "George C. Werner".

George C. Werner

GCW/taw:1700221.1

cc W. Scott Hemphill (via e-mail)